

VILLAGE OF BARTLETT

COMMITTEE AGENDA

JULY 3, 2018

FINANCE & GOLF, CHAIRMAN DEYNE

Bluff City SSA Refinance

Discussion of Responses to Requests for Proposals for Broker/Consultant
Services for the Village's Health, Dental and Life Insurance

SUMMARY

TO: Treasurer of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois

FROM: D.A. Davidson & Co.

DATE: June 26, 2018

RE: Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Refunding Bonds, Series 2018

The President and Board of Trustees (the “*Board*”) of the Village of Bartlett, DuPage and Kane Counties (the “*Village*”), previously established Special Service Area Number One of the Village (the “*SSA*”) pursuant to Ordinance No. 2003-155 adopted by the Village on November 18, 2003. Pursuant to Ordinance No. 2004-91 adopted on July 6, 2004 (the “*Prior Bond Ordinance*”), the Village issued its \$16,600,000 Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Variable Rate Demand Bonds, Series 2004 (the “*Prior Bonds*”) for the purpose of financing the costs of certain public capital improvements made by Bluff City, LLC (the “*Developer*”) in the SSA. The Prior Bonds are currently outstanding in the amount of \$5,550,000. The Prior Bonds are secured by the collection of taxes levied against all of the taxable property in the SSA and the Letter of Credit (the “*Letter of Credit*”) issued by Fifth Third Bank (the “*Bank*”), pursuant to the terms of the Reimbursement Agreement dated as of March 11, 2014, among the Village, the Bank, and the Developer.

Taxpayers within the SSA would like to reduce costs and lower the anticipated special service area taxes, and as a result have asked the Village to issue refunding bonds (the “*Bonds*”). The Developer has agreed to purchase the Bonds which will bear interest at a rate based on the Prime Rate that will be determined by the Village Treasurer semi-annually. Under this structure, the Developer can eliminate letter of credit fees on the Bonds and thus the overall interest expense will be reduced. Because none of the original terms of the Proposing Ordinance or the Establishing Ordinance will be modified, the issuance of the Bonds will only require Board approval of a new bond ordinance to amend the Prior Bond Ordinance. In addition, no public hearing will be required.

The Village will continue to file annual abatement ordinances as it has done in the past on the Prior Bonds, but going-forward will be based on the revised interest rate structure of the Bonds. The final levy/abatement year will be 2022. The costs of issuing the Bonds will be paid from funds currently on hand with the Prior Bond Trustee. There will be no trustee under the proposed structure of the Bonds; therefore the Village will pay debt service to the bondholder

directly. The only ongoing expenses related to the Bonds will be the calculation of arbitrage rebate which can be set aside from the taxes collected.

The Bonds will continue to be non-recourse to the Village and are payable solely and only from the special service area taxes. The Bonds are not general obligation bonds and neither the full faith and credit nor the general taxing power of the Village is pledged to the payment on the Bonds.

Based on our review of the draft Ordinance, and subject to final review of the Ordinance and the Bond Order, we believe it is in the best interest of the taxpayers that the Village proceeds with the issuance of the Bonds.

AN AMENDED ORDINANCE
OF
THE VILLAGE OF BARTLETT, COOK, DUPAGE AND KANE COUNTIES, ILLINOIS

SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED
AD VALOREM TAX REFUNDING BONDS,
SERIES 2018

Adopted ____, 2018

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AN AMENDED ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF VILLAGE OF BARTLETT, DUPAGE AND KANE COUNTIES, ILLINOIS, SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,550,000, FOR THE PURPOSE OF REFUNDING THE VILLAGE'S SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX VARIABLE RATE DEMAND BONDS, SERIES 2004, SETTING FORTH THE TERMS UNDER WHICH BONDS ARE TO BE ISSUED, AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF.

WHEREAS, the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois (the "*Village*"), is a duly incorporated municipality under the laws of the State of Illinois and a home rule unit pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, pursuant to the Special Service Area Tax Law, as amended, and as particularly supplemented by the Illinois Municipal Code, as amended, Local Government Debt Reform Act, as amended, and by the other Omnibus Bond Acts, as amended, and by the home rule powers of the Village (collectively, the "*Act*"), the Village is authorized to create special service areas, issue bonds secured by the full faith and credit of such areas for providing special services to such areas, levy taxes against the taxable real property included in such areas to pay principal of and interest on such bonds, and pledge other revenues or taxes expected to be received by the Village from the State of Illinois as security for the payment of such bonds; and

WHEREAS, the President and Board of Trustees of the Village (the "*Corporate Authorities*") previously established Special Service Area Number One of the Village (the "*Area*") pursuant to Ordinance Number 2003-155 adopted by the Corporate Authorities on the 18th day of November, 2003 (the "*Establishing Ordinance*"), and has otherwise complied with all other conditions precedent required by the Act; and

WHEREAS, the Corporate Authorities previously determined that in order to promote the health, safety, welfare and convenience of the residents of the Area, it is necessary, advisable and in the best interests of the Area and the property owners therein to provide public infrastructure improvements and extensions and related costs (collectively, the "*Services*"); and

WHEREAS, pursuant to Ordinance No. 2004-91 adopted on July 6, 2004 (the "*Prior Bond Ordinance*") and the Act, the Corporate Authorities determined that it was in the best interests of the Village to issue its \$16,600,000 Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Variable Rate Demand Bonds, Series 2004 (the "*Prior Bonds*"), of which \$5,550,000 remains outstanding; and

WHEREAS, in order to achieve anticipated debt service savings, it is in the best interests of the Village to refund the Prior Bonds (the "*Refunded Bonds*") and the Village does not have sufficient funds on hand or available from other sources with which to pay the costs associated with refunding the Refunded Bonds; and

WHEREAS, the Village expects that aggregate payments of principal of and interest on the Bonds will be less than aggregate payments of principal of and interest on the outstanding Prior Bonds; and

WHEREAS, the Prior Bonds were issued to pay a part of the costs of extending the public infrastructure systems of the Village to the Area, including, specifically, the installation of watermains, sanitary sewers, stormwater management facilities, drainage systems and storm sewers, retention ponds, erosion control, roads, streets, curbs, gutters, street lighting, traffic signalization, grading, berming, landscaping, land acquisition, and associated costs of engineers, surveyors, planners, legal counsel, bond counsel, underwriters and capitalized interest (collectively, the "*Prior Project*"); and

WHEREAS, after the Corporate Authorities proposed the establishment of the Area and the issuance of the Prior Bonds, proper notice (the "*Notice*") of the public hearing held on the 4th day of November, 2003, (the "*Hearing*") was given by publication and by mailing, all as required by law, and no written objections were filed at or prior to the Hearing and no petition signed by at least fifty-one percent of the owners of record of the land located within the boundaries of the Area was timely filed with the Village objecting to the formation of the Area; and

[WHEREAS, pursuant to the Act, the Corporate Authorities are authorized to issue bonds secured by ad valorem taxes levied without limitation as to rate or amount on all taxable real property in the Area without referendum]; and

WHEREAS, it is necessary and in the best interests of the Village to issue an aggregate principal amount not to exceed \$5,550,000 of its Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Refunding Bonds, Series 2018 (the "*Bonds*"), as provided in this Bond Ordinance, to pay or provide funds to refund the Refunded Bonds.

Now, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, in the exercise of its home rule powers, as follows:

ARTICLE I

DEFINITIONS

Unless the context otherwise requires, the terms defined in this Article I shall for all purposes of this Bond Ordinance and of any ordinance supplemental hereto, have the meanings herein specified, the following definitions to be equally applicable both to the singular and plural forms of any of the terms herein defined:

"*Act*" means the Special Service Area Tax Law, as amended, and as particularly supplemented by the Illinois Municipal Code, as amended, Local Government Debt Reform Act, as amended, and by the other Omnibus Bond Acts, as amended, and by the powers of the Village as a home rule unit under Section 6 of Article VII of the 1970 Constitution of the State of Illinois. In the event of any conflict between the provisions of the Municipal Code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said Municipal Code.

"*Authorized Officer*" means the President, Clerk, Village Treasurer, Treasurer or Administrator of the Village, or any other person authorized by ordinance of the President and Board of Trustees to perform the act or sign the document in question.

"*Bankruptcy Filing*" means the filing of a petition by or against the Village under any bankruptcy act or similar act. If the petition has been dismissed and the dismissal is final and not subject to appeal at the relevant time, the filing will not be considered to have occurred.

"*Bankruptcy Law*" means Title 11 of the United States Code or any similar federal or state law for the relief of debtors. "*Custodian*" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"*Bond Fund*" is the fund of that name created in Section 4.01.

"*Bond Order*" means the written Bond Order and Notification of Sale described in Section 2.03.

"*Bondholder*" or "*Owner*" means the registered owner of any Bond, initially, the Developer.

"*Bond Ordinance*" or "*Ordinance*" means this Amended Bond Ordinance as originally adopted or as it may from time to time be supplemented, modified or amended by any ordinance supplemental hereto pursuant to the provisions hereof.

"*Bonds*" means the \$_____ Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Refunding Bonds, Series 2018, authorized to be issued under this Ordinance.

"*Business Day*" means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in Chicago, Illinois, are authorized by law to close or (iii) a day on which the New York Stock Exchange is closed.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder.

"*Developer*" means Bluff City LLC, an Illinois limited liability corporation, and successors or assigns.

"*Event of Default*" is defined in Section 11.01.

"*Government Obligations*" means (1) direct obligations of the United States of America or any agency or instrumentality of the United States of America, (2) obligations on which the timely payment of principal and interest is fully guaranteed by the United States of America or any agency or instrumentality of the United States of America, or (3) evidences of a direct ownership interest in amounts payable upon any of the obligations set forth in (1) or (2) of this definition.

"*Interest Payment Date*" means June 1 and December 1 of each year.

"*Interest Rate Determination Date*" means each June 1 and December 1. If such date is not a Business Day the rate shall be set on the next Business Day and shall be effective from June 1 or December 1.

"*Maturity Date*" means December 1, 2023

"*Maximum Interest Rate*" means 9.00%.

"*Opinion of Counsel*" means a written opinion of counsel who is reasonably acceptable to the Village. The counsel may be an employee of or counsel to the Village.

"*Outstanding,*" when used with reference to Bonds, means all Bonds which have been authenticated and delivered by the Village and the Paying Agent under this Bond Ordinance, except the following:

- a. Bonds canceled or purchased by or delivered to the Paying Agent for cancellation;
- b. Bonds deemed paid by Section 10.01; and
- c. Bonds in lieu of which others have been authenticated under Section 2.07 (relating to registration and exchange of Bonds) or Section 2.08 (relating to mutilated, lost, stolen, or destroyed).

"*Permitted investment*" means, subject to any restrictions imposed by applicable State law, any of the following:

1. Government Obligations;
2. obligations of the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation;
3. commercial paper or finance company paper rated at the time of purchase not less than "P-1" by Moody's or "A-1+" by S&P;
4. certificates of deposit, bankers acceptances, or other time or demand deposits of banks or trust companies that are fully insured by the Federal Deposit Insurance Corporation or fully secured by obligations described in 1. or 2. above;
5. repurchase agreements secured by obligations described in 1. or 2. above or secured by bonds or obligations which are authorized by law as security for public deposits, *provided* that no proceeding under any applicable insolvency or reorganization law has been commenced by or against the issuer of such bonds or obligations, and *provided, further,* that at the time of purchase such bonds or obligations and long-term debt of the issuer of the repurchase agreement bear one of the three highest credit ratings (without regard to gradations within categories) assigned by Moody's and S&P;
6. any investment fund or other investment pooling arrangement which purchases and holds exclusively Government Obligations or repurchase agreements meeting the requirements of 5. above; and
7. securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in 1. or 2. above.

"*Prime Rate*" means the Prime Rate as set forth in the Wall Street Journal on the Interest Rate Determination Date

"*Prior Trustee*" means The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, and its successors acting in such capacity for the Prior Bonds under the Prior Bond Ordinance.

"*Program Expenses*" means, in any calendar year, the fees of the Paying Agent and the cost of the arbitrage rebate calculation.

".

"*Purchaser*" means Bluff City, LLC, an Illinois limited liability company.

"*Purchase Price*" means an amount which is not less than 98% of the principal amount of the Bonds and shall be the amount set forth in the Bond Order.

"*Record Date*" is defined in the Bonds.

"*State*" means the State of Illinois.

"*Tax Year*" means the year for which a levy of Unlimited Ad Valorem Taxes is made. The 2017 Tax Year shall be that year during which ad valorem taxes levied for the year 2017 (collectible in the year 2018) are extended and collected, and so on.

"*Unlimited Ad Valorem Taxes*" means the ad valorem taxes levied herein against all taxable real property in the Area without limitation as to rate or amount.

"*Village*" means the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, a home rule unit and body corporate and politic, created and established under the laws of the State of Illinois.

"*Village Treasurer*" means the Village Treasurer of the Village or such other person as may at the time be the acting chief fiscal officer of the Village.

ARTICLE II

AUTHORIZATION, DESIGNATION, FORM, EXECUTION, EXCHANGE AND REGISTRATION OF BONDS

Section 2.01 Limitation of Issue, Equality of Bonds and Purpose of Issue of Bonds. This Bond Ordinance shall constitute a continuing agreement to secure the full and final payment in the manner herein provided for the principal and interest on all Bonds which may from time to time be delivered and issued hereunder. The aggregate principal amount of Bonds which may be so delivered and issued hereunder is not limited except as restricted by law or by the provisions hereof. All Bonds at any time issued and outstanding hereunder shall be equally and ratably secured hereby without preference, priority or distinction.

Section 2.02 Purpose of Issue of Bonds. For the purpose of refunding certain portions of the Prior Bonds, it is hereby determined to be necessary that the Village issue the Bonds in the aggregate original principal amount of not to exceed \$5,550,000, except as provided in Section 2.08 with respect to the replacement of lost, stolen, or destroyed. The Bonds shall be substantially in the form of *Exhibit A* to this Ordinance, which is hereby incorporated by reference and made a part hereof, and in the denominations provided for in the Bonds. The Bonds may have notations, legends or endorsements required by law or usage.

Section 2.03 Terms of the Bonds. The Bonds shall be issued as fully registered Bonds, in the denominations set forth in the form of Bond attached hereto as *Exhibit A*. The Bonds shall bear interest from their date until the principal amount of the Bonds is paid.

Each of the Authorized Officers is hereby authorized to determine the principal amount of the Bonds (*provided* that the aggregate original principal amount of the Bonds shall not exceed \$5,550,000), the dated date, and the interest rate for the Bonds, , and the interest rate on the Bonds shall not exceed __%. The approval by the Authorized Officer of such terms of the Bonds, within the parameters set forth in this Section, shall be evidenced by his or her execution of a written Bond Order and Notification of Sale (the "*Bond Order*") and *Exhibit B* attached hereto and made a part hereof.

The Bonds shall be subject to mandatory redemption prior to maturity as set forth in the form of Bond attached hereto as *Exhibit A* and in *Exhibit B* hereto. The Authorized Officer is hereby authorized to determine the redemption terms for the Bonds as shall be in the best financial interest of the Village.

The Bonds shall be numbered consecutively from R-1 up.

Subsequent to the sale of each of the Bonds, the Authorized Officer shall file the Bond Order in the office of the Village Clerk of the Village directed to the Village setting forth the terms of sale of such Bonds, including a completed *Exhibit B* hereto, as provided in Section 6.01. The provisions of the Exhibits hereto are hereby incorporated herein by reference to the same extent as if set forth in full in this Ordinance.

Section 2.04 Interest on the Bonds. Interest on the Bonds shall be payable semiannually as set forth in the Bond Order. Interest shall accrue on the basis of a 360-day year consisting of twelve 30-day months.

Section 2.05 Interest Rate Determination Method. The Village Treasurer shall determine the interest rate on the Bonds on each Interest Rate Determination Date for the following six month period which shall be the Prime Rate however it shall be no greater than the Maximum Interest Rate.

Section 2.06 Execution and Authentication. Bonds in the principal amount set forth in the Bond Order and *Exhibit B* hereto shall be executed on behalf of the Village, authenticated by the Village Treasurer, as paying agent (the "*Paying Agent*"), and delivered to or upon the written order of the Village Treasurer.

The Bonds shall be signed on behalf of the Village by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk, and the seal of the Village shall be impressed or imprinted on the Bonds by facsimile or otherwise. All authorized facsimile signatures shall have the same effect as if manually signed. If an officer of the Village whose signature is on a Bond no longer holds that office at the time the Village authenticates the Bond, the Bond shall nevertheless be valid. Also, if a person signing a Bond is the proper officer on the actual date of execution, the Bond shall be valid even if that person is not the proper officer on the nominal date of action.

A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this Bond Ordinance until the Paying Agent manually signs the certificate of authentication on such Bond. Such signature shall be conclusive evidence that such Bond has been authenticated under this Bond Ordinance.

Section 2.07 Bond Register. Bonds must be presented at the principal office maintained for the purpose by the Village for registration of transfer, exchange and payment. Bonds tendered by their Owners must be delivered as specified in the Bonds. The Village shall keep a register of Bonds and of their transfer and exchange, which register shall be open to inspection by the Purchaser during normal business hours.

Section 2.08 Registration and Exchange of Bonds; Persons Treated as Owners. Bonds may be transferred only on the register maintained by the Paying Agent. Upon surrender for transfer of any Bond to the Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or the Owner's attorney duly authorized in writing, the Village shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds in an equal aggregate principal amount and of the same series and registered in the name of the transferee.

Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same series and of different authorized denominations. The Village shall execute and the Paying Agent shall authenticate and deliver the new Bond or Bonds that the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding.

Except in connection with the purchase of tendered Bonds, the Paying Agent shall not be required to transfer or exchange any Bond called for redemption or during the period beginning 15 days before the mailing of a notice calling the Bonds or any portion of the Bonds for redemption and ending on the redemption date. In the event the Paying Agent transfers such Bonds, the new owner shall be given notice of the pending redemption.

The Owner of a Bond shall be the absolute owner of such Bond for all purposes, and all payments of principal, premium, if any, interest or purchase price shall be made only to or upon the written order of such Owner or such Owner's legal representative.

The Paying Agent shall require the payment by a Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid in respect of the exchange or transfer but will not impose any other charge.

Section 2.09 Mutilated, Lost, Stolen, or Destroyed. If any Bond is mutilated, lost, stolen or destroyed, the Village shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same series and denomination. Any mutilated Bond shall first be surrendered to the Paying Agent, and if, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Paying Agent and the Village evidence of such loss, theft or destruction, together with an indemnity satisfactory to the Village. If such Bond has matured, instead of issuing a replacement Bond, the Paying Agent may with consent of the Village pay such Bond without requiring surrender of such Bond upon satisfaction of such requirements as the Paying Agent deems fit for the protection of the Village and the Paying Agent, including a lost instrument bond. The Village and the Paying Agent may charge reasonable fees and expenses in this connection.

Section 2.10 Cancellation of Bonds. Whenever a Bond is delivered to the Paying Agent for cancellation (upon payment, redemption or otherwise), or for transfer, exchange or replacement pursuant to Section 2.07 or 2.08, the Paying Agent shall promptly cancel and destroy such Bond and deliver a certificate of destruction to the Village.

Section 2.11 Temporary Bonds. Until definitive Bonds are ready for delivery, the Village may execute and the Paying Agent shall authenticate and deliver temporary Bonds substantially in the form of the definitive Bonds, with appropriate variations. The Village shall, without unreasonable delay, prepare and execute and the Paying Agent shall authenticate and deliver definitive Bonds in exchange for the temporary Bonds. Such exchange shall be made by the Paying Agent without charge.

ARTICLE III

REDEMPTION

Section 3.01 Notices to Paying Agent. If the Village elects to redeem any Bonds pursuant to any optional redemption provision set forth in the Bonds, the Village shall notify the Paying Agent of the applicable provision, the redemption date, the principal amount of Bonds to be redeemed, the redemption price and other necessary particulars. The Village shall give such notice at least 45 days before the redemption date.

Section 3.02 Redemption Dates. The redemption date of the Bonds to be redeemed pursuant to any optional redemption provision in the Bonds shall be a date permitted by the Bonds and specified by the Village in the notice delivered pursuant to Section 3.01.

Section 3.03 Redemption Notices. The Paying Agent shall give notice of each redemption as provided in the Bonds. The notice shall identify the Bonds to be redeemed and shall state (1) the redemption date, (2) the redemption price, which, in no event, shall be less than the unpaid principal and accrued interest on said Bonds, (3) that the Bonds called for redemption must be surrendered to collect the redemption price, (4) the address at which the Bonds must be surrendered and (5) that interest on the Bonds called for redemption ceases to accrue on the redemption date.

Whenever, the Paying Agent is not the Village Treasurer or any other Authorized Officer, unless moneys sufficient to pay the principal of and the premium, if any, and interest on the Bonds

to be redeemed shall have been received by the Paying Agent prior to giving notice of redemption, such notice shall state that said redemption shall be conditioned upon the receipt by the Paying Agent of such moneys on or prior to the date fixed for redemption. Such moneys shall be held uninvested or, at the direction of the Treasurer, shall be invested in Government Securities which mature on such date or dates as necessary to provide funds on a timely basis for such redemption. If such moneys are not received by the redemption date, such notice shall be of no force and effect, the Village shall not redeem such Bonds, the redemption price shall not be due and payable and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

Failure to give any required notice of redemption as to any particular Bonds shall not affect the validity of the call for redemption of any Bonds in respect of which no such failure has occurred. Any notice mailed as provided in the Bonds shall be conclusively presumed to have been given, whether or not actually received by the addressee Owner.

Section 3.04 Payment of Bonds Called for Redemption. Upon surrender to the Paying Agent, Bonds called for redemption shall be paid as provided in this Article III at the redemption price stated in the notice, plus accrued interest, if any, to the redemption date.

Section 3.05 Bonds Redeemed in Part. Upon surrender of a Bond to be redeemed or purchased in part, the Village shall execute and the Paying Agent shall authenticate and deliver to the Owner a new Bond or Bonds in authorized denominations equal in aggregate principal amount to the unredeemed or unpurchased portion of the Bond surrendered.

Section 3.06 Bonds Redeemed in Part. Upon surrender of a Bond to be redeemed or purchased in part, the Village shall execute and the Paying Agent shall authenticate and deliver to the Owner a new Bond or Bonds in authorized denominations equal in aggregate principal amount to the unredeemed or unpurchased portion of the Bond surrendered.

ARTICLE IV

PAYMENT OF BONDS

Section 4.01 Payments of Bonds. Payments of principal of, and interest and premium, if any, on the Bonds will be paid from moneys deposited in the "Bond Fund," which is hereby created with the Paying Agent.

Bond Fund. The Paying Agent will make payments of principal of and interest and premium, if any, on the Bonds from the Unlimited Ad Valorem Taxes. The proceeds of investments of any such moneys may be used to the same extent as if the moneys invested could be used had they not been invested; provided, further, that all or any portion of such proceeds of investments shall be transferred by the Paying Agent to the Program Expenses Account upon written direction of an Authorized Officer. Funds in each category above will be held in separate and segregated sub-accounts and will not be commingled with funds from the other categories or from any other source. All moneys referred to in clause first above shall be held segregated by the Paying Agent.

All moneys credited to the Bond Fund (and all subaccounts therein) are hereby irrevocably pledged to and shall be used solely for (a) payment of interest on the Bonds, and (b) payment, redemption and retirement of the Bonds.

Section 4.02 Investments of Bond Fund Moneys. Except as provided below, whenever, the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Paying Agent shall invest and reinvest moneys held in the Bond Fund by the Paying Agent as directed in writing by the Village in any Permitted Investment which the Village shall ensure is in compliance with the requirements of this Bond Ordinance and at a permissible yield determined in accordance with the Code and regulations promulgated thereunder.

The Paying Agent may make investments permitted by this Section through its own bond department or the bond department of any bank or trust company under common control with the Paying Agent. Investments shall be registered in the name of the Paying Agent and held by or under the control of the Paying Agent. The Paying Agent shall sell and reduce to cash a sufficient amount of investments whenever the cash held by the Paying Agent is insufficient. Whenever, the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Paying Agent shall not be liable for any loss from such investments to the extent directed by an Village and to the extent such directions have been complied with by the Paying Agent.

Section 4.03 Disposition of Bond Fund Moneys on Maturity Date. Any moneys ("*Excess Bond Moneys*") (including investment proceeds) remaining in the Bond Fund on the Maturity Date, shall be paid by the Paying Agent in the next succeeding year after final real estate tax bills for the Area have been issued to the last taxpayer(s) of record for the Area, it being the express intention of the Village and the Developer that the Unlimited Ad Valorem Taxes levied and collected while any Bonds remain outstanding shall be in the aggregate amount necessary to meet the obligations of the Village hereunder, and no more.

Section 4.04 Moneys Held in Trust. The Paying Agent shall hold in trust for the benefit of the Bondholders all moneys held by it for any payment on the Bonds. The Paying Agent shall promptly, but in no event later than 30 days after their original deposit, apply moneys received from the Village in accordance with this Bond Ordinance and the Tax Agreement as directed by an Authorized Officer.

ARTICLE V

[RESERVED]

ARTICLE VI

SALE OF BONDS; DOCUMENTS EFFECTING ISSUANCE OF THE BONDS

Section 6.01 Sale of the Bonds. The Authorized Officers are hereby authorized to proceed, without any further official authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds to the Purchaser at the Purchase Price and upon the terms as herein provided. The Authorized Officers as shall be appropriate shall be and are hereby authorized and directed (i) to sell the Bonds upon finding that the Bonds meet the terms and

requirements of this Bond Ordinance and (ii) to execute the Bond Order. The Village Clerk is further directed to make available to the Corporate Authorities a copy of the executed Bond Order at the first regularly scheduled meeting of the Corporate Authorities following the execution of the same, but such action shall be for information purposes only, and the Corporate Authorities shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Order. Said executed Bond Order shall be filed by the Village Clerk in the official files and records of the Corporate Authorities following such regularly scheduled meeting. Nothing in this Section shall require the Authorized Officers to sell the Bonds if in their judgment the conditions in the bond markets shall have markedly deteriorated from the time of adoption hereof, but the Authorized Officers shall have the authority to sell the Bonds from time to time in any event so long as the limitations set forth in this Bond Ordinance and the conditions of this Section shall have been met. Proceeds received upon the sale of the Bonds shall be deposited with the Prior Trustee and used to pay the costs of redeeming the Refunded Bonds.

ARTICLE VII

PROVISIONS RELATING TO UNLIMITED AD VALOREM TAXES AND APPLICATION THEREOF

Section 7.01 Unlimited Ad Valorem Taxes Levied. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof on a redemption date, and at maturity, there is hereby levied upon all of the taxable property within the Area, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the Area, in addition to all other taxes, the direct annual taxes in the amounts and for the years as shall be provided in the Bond Order (the "*Unlimited Ad Valorem Taxes*").

The Unlimited Ad Valorem Taxes shall be transferred by the Village upon receipt to the Paying Agent and shall be deposited into the "Unlimited Ad Valorem Tax Account," a separate and segregated account which is hereby created with the Paying Agent, and applied for payment of (i) interest on the Bonds and (ii) payment, redemption and retirement of the Bonds. Payments coming due at any time when there are insufficient funds on hand from the Unlimited Ad Valorem Taxes to pay the same shall be paid promptly when due from current funds on hand and lawfully available, if any, in advance of the collection of the said taxes herein levied; and when the Unlimited Ad Valorem Taxes shall have been collected, reimbursement shall be made to said funds in the amount, if any, so advanced.

The Village covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the Unlimited Ad Valorem Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Unlimited Ad Valorem Taxes may be levied, extended and collected as provided herein and deposited into the Unlimited Ad Valorem Tax Account.

The Village will not encumber, pledge or place any charge or lien upon any of the Unlimited Ad Valorem Taxes or other amounts pledged to the Bonds superior to or on a parity with or junior to the pledge and lien created in this Bond Ordinance for the benefit of the Bonds.

Section 7.02 Filing of Tax Levies. Promptly, as soon as this Ordinance becomes effective, a copy hereof, certified by the Village Clerk of the Village, shall be filed with the County Clerk; and said County Clerk shall in and for each of the years set forth in the Bond Order ascertain the rate percent required to produce the aggregate tax hereinbefore provided to be levied in each of said years; and said County Clerk shall extend the same for collection on the tax books against all of the taxable property within the Area in addition to other taxes levied in said years in the Area in order to raise the respective amounts levied aforesaid, and in said years such annual tax shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general corporate purposes for said years are levied and collected, and in addition to and in excess of all other taxes, and without limit either as to rate or amount.

Section 7.03 Abatement of Unlimited Ad Valorem Taxes. Not earlier than January 2 and not later than the last date in any Tax Year that the County Clerk will accept the filing of an ordinance levying a tax to be extended during such Tax Year for the payment of principal of and interest on general obligation bonds, the Village Treasurer shall conduct an accounting (an "Accounting") (i) to determine the amount on deposit in and to the credit of the Bond Fund, (ii) to determine the amount of any additional monies which have been transferred to the Bond Fund by proper proceedings of the Corporate Authorities, and (iii) to determine the amount of Unlimited Ad Valorem Taxes to be abated for. Each Accounting shall set forth the aggregate amount of funds which are anticipated to be on deposit in the Bond Fund and available for the purpose of abating the Unlimited Ad Valorem Taxes to be extended during that Tax Year. In calculating the amount to be abated the Village Treasurer shall assume the Bonds will bear interest at the Prime Rate determined on December 1 pursuant to Section 2.05 plus one percent (1.00%). By proper proceedings the Corporate Authorities shall direct the abatement of the Unlimited Ad Valorem Taxes for that Tax Year upon a finding that sufficient funds of the Village will be on hand and available to pay principal of and interest on the Bonds and redemption of the Bonds during the period otherwise provided for from said levy.

ARTICLE VIII

APPLICATION OF PROCEEDS OF SALE OF BONDS

Section 8.01 Application of Proceeds. The Village will cause the proceeds of the sale of the Bonds to be deposited as described below. The Paying Agent will deposit an amount of the proceeds of the initial sale of the Bonds designated in the Bond Order to pay the costs of issuing the Bonds ("Costs of Issuance"), as directed in writing by an Authorized Officer.

Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, are hereby appropriated for the purpose of refunding the Refunded Bonds and shall be deposited in trust with Prior Trustee solely for the purpose of refunding the Refunded Bonds. The Village will provide notice to the Prior Trustee to redeem the Prior Bonds at the earliest possible date and will direct the Prior Trustee to use current funds on hand less an amount set aside for costs of issuing the Series 2018 Bonds toward that redemption, all as set forth in the Bond Order.

ARTICLE IX

ADDITIONAL COVENANTS OF THE VILLAGE

The Village hereby covenants and agrees so long as any Bonds are outstanding as follows:

Section 9.01 Authority for Bonds. The Village is duly authorized under the laws of the State of Illinois and under all other applicable provisions of law to create and issue the Bonds herein provided for, and to pledge and apply the Unlimited Ad Valorem Taxes as herein provided; that all corporate and other action on its part for the creation and issuance of the Bonds has been duly taken; that said Bonds when issued and in the hands of the holders thereof will be valid and enforceable obligations of the Village according to the import thereof; that this Bond Ordinance is and will remain a valid Bond Ordinance to secure the payment of said Bonds and that the Village has complete and lawful authority and privilege to acquire, construct, equip and install the Project as herein provided.

Section 9.02 To Pay Principal, Interest and Purchase Price. The Village will duly and punctually pay or cause to be paid the principal sum and the interest accruing on said principal, and the purchase price of any Bond tendered in accordance with the provisions of this Bond Ordinance, on each and every one of the Bonds issued or to be issued hereunder, at the dates and places and in the manner provided in said Bonds according to the terms thereof.

Section 9.03 Payment of Bondholders' Costs and Expenses. The Village will pay all and singular the costs, charges and expenses including reasonable attorney fees incurred or paid at any time by the holder of any of the Bonds because of the failure on the part of the Village to perform, comply with and abide by each and every of the stipulations, agreements, conditions and covenants of the Bonds and this Bond Ordinance, or either of them.

ARTICLE X

DISCHARGE OF BOND ORDINANCE

Section 10.01 Bonds Deemed Paid; Discharge of Bond Ordinance. Any Bond shall be deemed paid for all purposes of this Bond Ordinance when (a) payment of the principal of and premium, if any, and interest on such Bond to the due date of such principal and interest (whether at maturity, upon redemption or otherwise) has been made in accordance with the terms of the Bonds and (b) all compensation and reasonable expenses of the Paying Agent pertaining to such Bond have been paid or provided for to the Paying Agent's satisfaction. When a Bond is deemed paid, it will no longer be secured by or entitled to the benefits of this Bond Ordinance or be an obligation of the Village, except that it may be tendered as provided in the Bonds and transferred, exchanged or replaced as provided in Article II.

When all outstanding Bonds are deemed paid under the provisions of this Section, the Paying Agent shall, upon request, acknowledge the discharge of the lien of this Bond Ordinance; *provided, however,* that the obligations under Article II in respect of the transfer, exchange and replacement of Bonds shall survive the discharge of the lien of this Bond Ordinance.

Section 10.02 Repayment to Village. The Paying Agent shall promptly pay to the Village, upon request, any excess moneys or securities held by the Paying Agent at any time under this Article X and any money held by the Paying Agent under any other provision of this Bond Ordinance for the payment of principal, premium, if any, or interest on the Bonds that remains unclaimed for two years.

ARTICLE XI

DEFAULTS AND REMEDIES

Section 11.01 Events of Default. An "Event of Default" is any of the following:

(a) Default in the payment of any interest on any Bond when due and payable.

(b) Default in the payment of principal or premium on any Bond when due and payable, whether at maturity, upon redemption, by declaration or otherwise.

(c) The Village fails to perform any of its agreements in this Bond Ordinance or the Bonds (except a failure that results in an Event of Default under clause (a) or (b) above), the performance of which is material to the Bondholders, and the failure continues after the notice and for the period specified in this Section.

(d) The Village pursuant to or within the meaning of any Bankruptcy Law (1) commences a voluntary case, (2) consents to the entry of an order for relief against it in an involuntary case, (3) consents to the appointment of a Custodian for the Village or any substantial part of its property or (4) makes a general assignment for the benefit of its creditors.

(e) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against the Village in an involuntary case, appoints a Custodian for the Village or any substantial part of its property or orders the winding up or liquidation of the Village, and the decree or order remains unstayed and in effect for 60 days.

A default under clause (c) of this Section is not an Event of Default until the Bondholder gives the Village a notice specifying the default, demanding that it be remedied and stating that the notice is a "Notice of Default," and the Village does not cure the default within 90 days after receipt of the notice, or within such longer period as the Paying Agent shall agree to. Whenever, the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Paying Agent shall not unreasonably refuse to agree to a longer period if the default cannot reasonably be cured within 90 days after receipt of the notice and the Village has begun within 90 days and continued diligent efforts to correct the default.

Section 11.02 Remedies. If an Event of Default has occurred and is continuing, the Paying Agent may and, with respect to an Event of Default under Section 11.01(a) or (b) whenever, the Paying Agent is not the Village Treasurer or any other Authorized Officer, if the Paying Agent shall have been requested to do so by the Bondholder, the Paying Agent shall, pursue any available remedy by proceeding at law or in equity to collect the principal of, and the premium, if any, and interest on, the Bonds or to enforce the performance of any provision of the Bonds or this Bond Ordinance; otherwise, if the Paying Agent is the Village Treasurer or any other Authorized Officer, any Bondholder may pursue any available remedy by proceeding at law or in equity to collect the principal of, and the premium, if any, and interest on, the Bonds or to enforce the performance of any provision of the Bonds or this Bond Ordinance.

Whenever, the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Paying Agent may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding. A delay or omission by the Paying Agent or any Bondholder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in such Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Section 11.03 Waiver of Past Defaults. Any Bondholder by notice to the Paying Agent and the Village, may waive an Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

Section 11.04 Control by Majority. The Bondholders of not less than a majority in the aggregate principal amount of the Bonds then Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Paying Agent or of exercising any trust or power conferred on it. However, the Paying Agent may refuse to follow any direction that conflicts with law or this Bond Ordinance.

Section 11.05 Limitation on Suits. A Bondholder may not pursue any remedy with respect to this Bond Ordinance or the Bonds unless (a) the Bondholder gives the Paying Agent notice stating that an Event of Default is continuing, (b) assuming that the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Bondholder makes a written request to the Paying Agent to pursue such remedy, (c) assuming that the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Bondholder offers to the Paying Agent indemnity satisfactory to the Paying Agent against any loss, liability or expense incurred in connection therewith and (d) assuming that the Paying Agent is not the Village Treasurer or any other Authorized Officer, the Paying Agent does not comply with such request within 60 days after receipt of such request and offer of indemnity.

A Bondholder may not use this Bond Ordinance to prejudice the rights of another Bondholder or to obtain a preference or priority over any other Bondholder.

Section 11.06 Rights of Owners to Receive Payment. Notwithstanding any other provision of this Bond Ordinance, the right of any Owner to receive payment of the principal of, and premium, if any, and interest on, a Bond, on or after the due dates expressed in such Bond, or the purchase price of a Bond on or after the date for its purchase as provided in such Bond, or to bring

suit for the enforcement of any such payment on or after such dates, shall not be impaired or affected without the consent of such Owner.

Section 11.07 Priorities. If the Paying Agent collects any money pursuant to this Article XI, it shall pay out such money as soon as practicable in the following order:

FIRST: To the Paying Agent for amounts to which it is entitled under this Ordinance;

SECOND: To the Bondholder for amounts due and unpaid on the Bonds for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Bonds for principal, premium, if any, and interest, respectively; and

THIRD: To the Village.

The Paying Agent may fix a payment date for any payment to the Bondholder.

ARTICLE XII

PAYING AGENT

Section 12.01 Paying Agent. The Paying Agent for the Bonds may be the Village or a bank, as described in Section 12.05. Initially, the Treasurer of the Village shall be the Paying Agent for the Bonds. The Paying Agent may be replaced with the consent of the Bondholder pursuant to section 12.05. The Village, at its option, may designate a new Paying Agent upon notice to the Developer and the Village, the Developer, and the new Paying Agent will enter into a new paying agent agreement.

Section 12.02 Rights of Paying Agent.

(a) The Paying Agent may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Paying Agent need not investigate any fact or matter stated in such document.

(b) The Paying Agent shall not be liable for any action it takes or omits to take in good faith in reliance on any certificate of an Authorized Officer or officers of the Village or any Opinion of Counsel.

Section 12.03 Individual Rights of Paying Agent. The Paying Agent in its individual or any other capacity may become the Owner or a pledgee of Bonds and may otherwise deal with the Village or its affiliates with the same rights it would have if it were not the Paying Agent.

Section 12.04 Notice of Defaults. If an event occurs which, with the giving of notice or lapse of time or both, would become an Event of Default, and if such event is continuing and is known to the Paying Agent, the Paying Agent shall mail to each Bondholder notice of such event within 90 days after it occurs. Except in the case of a default in the payment or purchase on any Bonds, the Paying Agent may withhold such notice if and so long as a committee of its Authorized

Officers in good faith determines that withholding such notice is in the best interests of the Bondholders.

Section 12.05 Eligibility of Paying Agent. The Village may be removed as Paying Agent by substituting a bank that is a corporation or association organized and doing business under the laws of the United States of America or any state, is authorized under such laws to exercise corporate trust powers in the State of Illinois, is subject to supervision or examination by United States of America or state authority and has a combined capital, surplus and undivided profits of at least \$10,000,000 as set forth in its most recent published annual report of condition.

ARTICLE XIII

AMENDMENTS OF AND SUPPLEMENTS TO BOND ORDINANCE

Section 13.01 Without Consent of Bondholders. The Village may amend or supplement this Bond Ordinance or the Bonds without notice to or the consent of any Bondholder:

- (a) to cure any ambiguity, inconsistency or formal defect or omission;
- (b) to grant to the Paying Agent for the benefit of the Bondholders additional rights, remedies, powers or authority;
- (c) to modify this Bond Ordinance or the Bonds to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States of America;
- (d) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to this Bond Ordinance regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;
- (e) to make any change (including a change in Section 4.01 to reflect any amendment to the Code or interpretations by the Internal Revenue Service of the Code) that does not materially adversely affect the rights of any Bondholder.

Section 13.02 With Consent of Bondholder. If an amendment of or supplement to this Bond Ordinance or the Bonds without the consent of Bondholders is not permitted by Section 13.01, the Village may enter into such amendment or supplement with the consent of the Owners of at least a majority in the aggregate principal amount of the Bonds then outstanding. However, without the consent of each Bondholder affected, no amendment or supplement may (a) extend the maturity of the principal of, or interest on, any Bond, (b) reduce the principal amount of, or rate of interest on, any Bond, (c) effect a privilege or priority of any Bond or Bonds over any other Bond or Bonds, (d) reduce the percentage of the aggregate principal amount of the Bonds the Owners of which are required to consent to such amendment or supplement, (e) eliminate the Owners' rights to any mandatory redemption of the Bonds, or extend the call date for mandatory redemption, or

reduce the purchase or redemption price of the Bonds or (f) create a lien ranking prior to the lien of this Bond Ordinance.

Section 13.03 Effect of Consents. After an amendment or supplement becomes effective, it will bind every Bondholder unless it makes a change described in clauses (a) through (f) of the second sentence of Section 13.02, in which case the amendment or supplement will bind each Bondholder who consented to it and each subsequent Owner of a Bond or portion of a Bond evidencing the same debt as the consenting Owner's Bond.

Section 13.04 Notation on or Exchange of Bonds. If an amendment or supplement changes the terms of a Bond, the Village may require the Owner to deliver such Bond to the Paying Agent. The Paying Agent may place an appropriate notation on such Bond about the changed terms and return it to the Owner. Alternatively, if the Paying Agent and the Village so determine, the Village, in exchange for such Bond, shall execute and the Paying Agent shall authenticate and deliver a new Bond that reflects the changed terms.

Section 13.05 Notice to Bondholders. The Village shall cause notice of the execution of each amendment or supplement to this Bond Ordinance to be mailed to the Bondholders by first-class mail. The notice shall, at the option of the Village, either (i) briefly state the nature of the amendment or supplement and that copies of it are on file with the Paying Agent for inspection by the Bondholders or (ii) enclose a copy of such amendment or supplement.

ARTICLE XIV

MISCELLANEOUS

Section 14.01 Benefits of Holders Limited to Parties. Nothing in this Bond Ordinance, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person, firm or corporation other than the Village, the Paying Agent, and the Bondholders, any right, remedy or claim under or by reason of this Bond Ordinance, and any covenants, stipulations, promises and agreements in this Bond Ordinance contained by and on behalf of the Village shall be for the sole and exclusive benefit of the Village, the Paying Agent, and the Bondholders.

Section 14.02 Successor Is Deemed Included in All References to Predecessor. Whenever in this Bond Ordinance or any ordinance supplemental hereto either the Village or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Bond Ordinance contained by or on behalf of the Village shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 14.03 Waiver of Personal Liability. No officer, agent or employee of the Village shall be individually or personally liable for the payment of the principal of or interest on the Bonds, but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

Section 14.04 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Bond Ordinance should be contrary to law, then such covenant

or covenants, such agreement or agreements or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of this Bond Ordinance or of the Bonds.

Section 14.05 Headings and Index. Any headings preceding the texts or the several agencies hereof and any table of contents appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Bond Ordinance, nor shall they affect its meaning, construction or effect.

Section 14.06 Covenants Not to Be Deemed Covenants of Any Present or Future Officer, Agent or Employee of Village. All covenants, stipulations, obligations and agreements of the Village contained in this Ordinance shall be deemed to be covenants, stipulations, obligations and agreements of the Village to the full extent authorized by law and permitted by the Constitution of the State of Illinois, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Village in his individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue thereof. No officer, agent or employee of the Village shall incur any personal liability in acting or proceeding or in not acting or not proceeding in good faith, reasonably and in accordance with the terms of this Bond Ordinance and applicable law.

Section 14.07 Notices. (a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Bond Ordinance or the Bonds must be in writing except as expressly provided otherwise in this Bond Ordinance or the Bonds.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, addressed as follows: if to the Village or Paying Agent, to the Village Treasurer, Village of Bartlett, 228 South Main Street, Bartlett, Illinois 60103-4495; and if to the Bondholders, as provided in the Bond registration books kept pursuant to this Bond Ordinance. Any addressee may designate additional or different addresses for purposes of this Section 14.07.

Section 14.08 Bondholders' Consents. Any consent or other instrument required by this Bond Ordinance to be signed by Bondholders may be in any number of concurrent documents and may be signed by a Bondholder or by the Bondholder's agent appointed in writing. Proof of the execution of such document or of the instrument appointing an agent and of the ownership of Bonds, if made in the following manner, shall be conclusive for any purposes of this Bond Ordinance with regard to any action taken by the Village under such document or instrument:

(a) The fact and date of a person's signing any document or instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within that jurisdiction that the person signing such document or instrument acknowledged before such officer the execution of such document or instrument, or by an affidavit of any witness to the signing.

(b) The fact of ownership of any Bond, the principal amount thereof, the number and other identification thereof and the date of holding shall be proved by the registration books kept pursuant to this Bond Ordinance.

In determining whether the Owners of the required aggregate principal amount of Bonds Outstanding have taken any action under this Bond Ordinance, Bonds owned by the Village or any person controlling, controlled by or under common control with the Village shall be disregarded and deemed not to be Outstanding. In determining whether the Paying Agent shall be protected in relying on any such action, only Bonds which the Paying Agent knows to be so owned shall be disregarded.

Any consent or other instrument shall be irrevocable and shall bind any subsequent Owner of a Bond or of any Bond delivered in substitution therefor.

Section 14.09 Limitation of Rights. Nothing expressed or implied in this Bond Ordinance or the Bonds shall give to any person other than the Paying Agent, the Village, and the Bondholders any right, remedy or claim under or with respect to this Bond Ordinance.

Section 14.10 Payments Due on Non-Business Days. If a payment date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and interest shall not accrue for the intervening period.

Section 14.11 Governing Law. This Bond Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 14.12 Counterparts. This Bond Ordinance may be signed in several counterparts, each of which shall be an original, but all of which together shall constitute the same instrument.

Section 14.13 Bond Ordinance Effective on Passage. This Bond Ordinance shall become immediately effective upon its passage and approval.

Approved:

By: _____
President

Attest:

Village Clerk

(SEAL)

EXHIBIT A

(FORM OF BOND)

FRONT SIDE

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
VILLAGE OF BARTLETT, COOK, DUPAGE AND KANE COUNTIES, ILLINOIS
SPECIAL SERVICE AREA NUMBER ONE UNLIMITED
AD VALOREM TAX REFUNDING BOND,
SERIES 2018

See Reverse Side for
Additional Provisions

MATURITY DATE:

DATED DATE:

Registered Owner:

Principal Amount:

[1] THE VILLAGE OF BARTLETT, COOK, DUPAGE AND KANE COUNTIES, ILLINOIS (the "*Village*"), a home rule unit and body corporate created and existing under the laws of the State of Illinois, hereby acknowledges itself to owe and for value received promises to pay solely from the collection of taxes levied against all of the taxable property in that part of the Village known as Special Service Area Number One (the "*Area*") to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above (or if this Bond is called for earlier redemption as described herein, on the redemption date), the Principal Amount identified above and to pay interest and premium, if any provided in this Bond. The Treasurer of the Village, is serving as paying agent with respect to the Bonds (the "*Paying Agent*").

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; and that the amount of this Bond, and the Series of which it is one, and the total authorized issue of Bonds of which this Series is a part, do not exceed any limit prescribed by the Constitution or statutes of the State of Illinois.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Paying Agent.

[5] IN WITNESS WHEREOF, the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, by its President and Board of Trustees, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its President and the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or imprinted hereon, all as of the Dated Date identified above.

VILLAGE OF BARTLETT, COOK, DUPAGE AND
KANE COUNTIES, ILLINOIS

President

Village Clerk

(SEAL)

CERTIFICATE
OF
AUTHENTICATION

Date of Authentication:

This Bond is one of the Bonds described in the within mentioned Bond Ordinance and is one of the Special Service Area Number One Unlimited Ad Valorem Tax Refunding Bonds, Series 2018, of The President and Board of Trustees of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois.

VILLAGE OF BARTLETT, COOK, DUPAGE AND KANE
COUNTIES, as Paying Agent

By _____
Village Treasurer

[Form of Bond - Reverse Side]

VILLAGE OF BARTLETT, COOK, DUPAGE AND KANE COUNTIES, ILLINOIS

SPECIAL SERVICE AREA NUMBER ONE UNLIMITED
AD VALOREM TAX REFUNDING BOND

SERIES 2018

[6] This bond is one of a series of bonds (the "*Bonds*") in the aggregate principal amount of \$_____ issued by the Village for the purpose of paying the costs of refunding certain of its Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Variable Rate Demand Bonds, Series 2004, all as described and defined in the amended ordinance authorizing the Bonds (the "*Bond Ordinance*"), pursuant to and in all respects in compliance with the applicable provisions of the Special Service Area Tax Law, as supplemented and amended, the Local Government Debt Reform Act, as amended, and all Omnibus Bond Acts of the State of Illinois, as amended, and as supplemented by the home rule powers of the Village (collectively, the "*Act*"). The Bonds are issued in compliance with the terms of the Bond Ordinance, which has been duly passed by the President and Board of Trustees of the Village, approved by the President, and published, in all respects as by law required.

[7] It is hereby certified and recited that all conditions, acts and things required by the Constitution and Laws of the State of Illinois to exist or to be done precedent to and in the issuance of this Bond, including the authorizing Act, have existed and have been properly done, happened and been performed in regular and due form and time as required by law; that the indebtedness of the Village, represented by the Bonds, and including all other indebtedness of the Village, howsoever evidenced or incurred, does not exceed any constitutional or statutory or other lawful

limitation; and that provision has been made for the collection of a direct annual tax, in addition to all other taxes, on all of the taxable property in the Area sufficient to pay the interest hereon as the same falls due and also to pay and discharge the principal hereof at maturity.

[8] All of the Bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of denomination, number, maturity, date or terms of redemption prior to maturity, date of sale or delivery or otherwise.

[9] The Village has covenanted in the Bond Ordinance that it will keep and perform all of the covenants and agreements in the Bond Ordinance.

[10] Interest shall accrue on the basis of a 360-day year consisting of twelve 30-day months. Interest will accrue on the unpaid portion of the principal of this Bond from the last date to which interest was paid or, if no interest has been paid, from the date of the original issuance of the Bonds until the entire principal amount of this Bond is paid. The interest rate shall be adjusted each Interest Rate Determination Date to reflect the Prime Rate.

[11] [Redemption Provisions] All redemptions will be paid in funds immediately available on the redemption date at a redemption price of 100% of the principal amount of the Bonds being redeemed (plus any premium required as provided below), plus accrued interest, if any, to the relevant redemption date; provided, however, that installments of interest which shall have become due and payable on or prior to such redemption date shall be payable to the Owners of the Bonds being redeemed (or any predecessor Bonds) at the close of business on the relevant Record Date. Bonds tendered for purchase on a date after a call for redemption but before the redemption date will be purchased pursuant to the tender.

Notice of Redemption. The Paying Agent will mail a notice of redemption by first-class mail to each Bondholder at its registered address at least 30 days before each redemption of the Bonds. Failure to give any required notice of redemption as to any particular Bonds will not affect the validity of the call for redemption of any Bonds in respect of which no such failure has occurred. Any notice mailed as provided in this paragraph will be conclusively presumed to have been given, whether or not actually received by the addressee.

Effect of Notice of Redemption. When notice of redemption is required and duly given, or when Bonds are to be redeemed without notice, all Bonds called for redemption will become due and payable on the redemption date at the applicable redemption price when funds are deposited with the Trustee sufficient for such redemption or for such purchase, interest on the Bonds to be so redeemed or purchased will cease to accrue as of the date of such redemption or purchase.

[12] The Bonds are issuable in registered form in denominations of \$5,000 and authorized integral multiples thereof. An Owner may transfer or exchange Bonds in accordance with the Bond Ordinance. The Paying Agent may require an Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Bond Ordinance. The Paying Agent shall not be required to transfer or exchange any Bond which has been called for redemption or during the period beginning 15 days before the mailing of a notice calling the Bonds or any portion of the Bonds for redemption and ending on the redemption date.

[13] The Registered Owner of this Bond will be treated as the owner for all purposes, and all payments of principal, premium, interest and purchase price shall be made only to or upon the written order of the Registered Owner or the Registered Owner's legal representative.

[14] If money for the payment of principal, premium, interest or purchase price with respect to this Bond remains unclaimed for two years, the Paying Agent will pay the money to or for the account of the Village. After such payment, the persons entitled to such money must look only to the Village (unless an abandoned property law designates another person) for payment.

[15] The Bond Ordinance provides that the occurrence of certain events constitute Events of Default. An Event of Default and its consequences may be waived as provided in the Bond Ordinance. Bondholders may not enforce the Bond Ordinance or the Bonds except as provided in the Bond Ordinance. Except as specifically provided in the Bond Ordinance, the Paying Agent may refuse to enforce the Bond Ordinance or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations, Owners of a majority in aggregate principal amount of the Bonds then Outstanding may direct the Paying Agent in its exercise of any trust or power.

[16] .

[17] Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security, the rights of the Owners of the Bonds and the terms and conditions upon which the Bonds are, and are to be issued and secured, to all the provisions of which Bond Ordinance, each Owner by the acceptance hereof assents.

[18] With the consent of the Village and to the extent permitted by and as provided in the Bond Ordinance, the terms and provisions of the Bond Ordinance, or of any instrument supplemental thereto, may be modified or altered by the assent or authority of the Owners of at least a majority in aggregate original principal amount of the Bonds then Outstanding thereunder.

[19] This Bond does not constitute an obligation of the State of Illinois within the meaning or application of any Constitutional or statutory limitation or provision, and the Owner thereof shall never have the right to demand payment of this Bond or interest hereon out of any funds other than the revenues and income pledged for payment thereof.

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, attorney-in-fact, to transfer the said Bond on the Bond Register with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

BOND TERMS

The Bonds shall be issued in the aggregate principal amount of \$____, shall be dated _____, 2018, shall be numbered as determined by the Village and shall mature on December 1, 2023 (the "Maturity Date").

The interest payment dates on the Bonds shall be June 1 and December 1 commencing December 1, 2018.

The Bonds are subject to mandatory redemption prior to maturity, in part by lot as selected by the Village, at the principal amount to be redeemed plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2018	\$925,000
2019	925,000
2020	925,000
2021	925,000
2022	925,000
2023*	925,000

* Final Maturity

There are hereby levied the following Unlimited Ad Valorem Taxes as provided in Section 7.01 of the Bond Ordinance:

FOR THE YEAR A TAX SUFFICIENT TO PRODUCE
THE DOLLAR SUM OF:

2018	for principal and interest
2019	for principal and interest
2020	for principal and interest
2021	for principal and interest
2022	for principal and interest

The Bonds shall also be subject to redemption prior to maturity as set forth in the form of Bond in *Exhibit A* to the Bond Ordinance.

Trustee ____ moved and Trustee _____ seconded the motion that said ordinance as presented and read by the Village Clerk be adopted.

After a full discussion thereof, including a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, the President directed that the roll be called for a vote upon the motion to adopt said ordinance as read.

Upon the roll being called, the following Trustees voted AYE: _____.

The following Trustees voted NAY: _____.

Whereupon the President declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Lorna Giles, Village Clerk

AYES: _____

NAYS: _____

ABSENT: _____

ADOPTED: this ____ day of _____, 2018

APPROVED: this ____ day of

President, Village of Bartlett
Cook, DuPage and Kane Counties, Illinois

Recorded In Village Records: this ___ day of _____, 2018.

Published in pamphlet form by authority of the Corporate Authorities on the ___ day of _____, 2018.

ATTEST:

Village Clerk, Village of Bartlett
Cook, DuPage and Kane Counties, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the President and Board of Trustees (the "*Corporate Authorities*") thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the ___ day of ___, 2018, insofar as the same relates to the adoption of an ordinance, numbered ___, and entitled:

AN AMENDED ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF VILLAGE OF BARTLETT, DUPAGE AND KANE COUNTIES, ILLINOIS, SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$_____, FOR THE PURPOSE OF REFUNDING THE VILLAGE’S SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX VARIABLE RATE DEMAND BONDS, SERIES 2004, SETTING FORTH THE TERMS UNDER WHICH BONDS ARE TO BE ISSUED, AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of said meeting at the location where said meeting was held and at the principal office of the Corporate Authorities; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the Village, and with all of the procedural rules of the Corporate Authorities in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village
this __ day of ____, 2018.

By _____
Village Clerk

[SEAL] VILLAGE CLERK TO ATTACH AGENDA

**Special Service Area Number One (Bluff City) Unlimited Ad Valorem Tax Refunding
Bonds, Series 2018 Public Hearing - 7:00 P.M.**

VILLAGE OF BARTLETT
BOARD AGENDA
, 2018
7:00 P.M.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the President and Board of Trustees (the "*Corporate Authorities*") thereof.

I do further certify that on the __ day of ____, 2018, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of an ordinance of the Village providing for the issuance of \$_____ Unlimited Ad Valorem Tax Refunding Bonds, Series 2018, of Special Service Area Number One of the Village and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village this __ day of ____, 2018.

By _____
Village Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such officer I do hereby certify that on the ____ day of _____, 2018, there was filed in my office a properly certified copy of Ordinance Number _____ passed by the Corporate Authorities of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, on the ___ day of _____, 2018, and entitled:

AN AMENDED ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF VILLAGE OF BARTLETT, DUPAGE AND KANE COUNTIES, ILLINOIS, SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$_____, FOR THE PURPOSE OF REFUNDING THE VILLAGE’S SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX VARIABLE RATE DEMAND BONDS, SERIES 2004, SETTING FORTH THE TERMS UNDER WHICH BONDS ARE TO BE ISSUED, AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF.

and that the same has been deposited in, and all as appears from, the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of The County of Cook, Illinois, at Chicago, Illinois, this ____ day of _____, 2018.

County Clerk of The County
of Cook, Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

**BOND ORDER, NOTIFICATION OF SALE AND
DIRECTION FOR LEVY OF TAXES**

TO: THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF BARTLETT, COOK, DUPAGE AND KANE COUNTIES, ILLINOIS (THE "VILLAGE"):

GREETINGS:

We are pleased to advise you as follows:

A. *Sale.* Please be advised that responsive to the authority contained in that certain ordinance adopted on _____, 2018, by the President and Board of Trustees (the "*Corporate Authorities*") of the Village (the "*Bond Ordinance*") (terms used herein shall have the meanings given to them in the Bond Ordinance unless otherwise defined herein), and being entitled:

AN AMENDED ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF VILLAGE OF BARTLETT, DUPAGE AND KANE COUNTIES, ILLINOIS, SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$_____, FOR THE PURPOSE OF REFUNDING THE VILLAGE'S SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX VARIABLE RATE DEMAND BONDS, SERIES 2004, SETTING FORTH THE TERMS UNDER WHICH BONDS ARE TO BE ISSUED, AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF.

B. *Terms.* The Bonds meet the terms and requirements of the Bond Ordinance. The specific terms of the Bonds and the levy of taxes to pay principal and interest on same are set forth in *Exhibit A* hereto and incorporated by reference herein.

C. *Use of the Proceeds.* Proceeds received upon the sale of the Bonds in the amount of \$_____ shall be deposited with the Prior Trustee and used to pay the costs of refunding the Refunded Bonds as authorized in the Bond Ordinance. Bond proceeds in the amount of \$_____ shall be used to pay Costs of Issuance as authorized in the Bond Ordinance.

D. *Records.* Finally, please be advised that this Bond Order, Notification of Sale and Direction for Levy of Taxes shall be entered into the records of the Village and made available to the Corporate Authorities at the next regularly scheduled meeting thereof for information purposes only.

Respectfully submitted this ___ day of _____, 2018.

President

Village Clerk

ACKNOWLEDGMENT OF FILING

Filed in the office of the Village Clerk of the Village of Bartlett, Cook, DuPage and Kane
Counties, Illinois this ____ day of August, 2018.

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

AVAILABILITY OF BOND ORDER

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the President and Board of Trustees (the "*Corporate Authorities*").

I do further certify that I made or will make available to all members of the Corporate Authorities at the public meeting of the Corporate Authorities held on the ____ day of _____, 2018, a Bond Order, as such term is defined in that certain ordinance entitled:

AN AMENDED ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF VILLAGE OF BARTLETT, DUPAGE AND KANE COUNTIES, ILLINOIS, SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX REFUNDING BONDS, SERIES 2018, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$_____, FOR THE PURPOSE OF REFUNDING THE VILLAGE'S SPECIAL SERVICE AREA NUMBER ONE (BLUFF CITY) UNLIMITED AD VALOREM TAX VARIABLE RATE DEMAND BONDS, SERIES 2004, SETTING FORTH THE TERMS UNDER WHICH BONDS ARE TO BE ISSUED, AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF.

which Bond Order is responsive to such Ordinance; a true, correct and complete copy of which said Bond Order as provided at said meeting being attached hereto.

IN WITNESS WHEREOF hereunto affix my official signature and the official corporate seal of the Village this ____ day of ____, 2018.

Village Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

BOND ORDER FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly elected, qualified and acting County Clerk of The County of Cook, Illinois, and as such officer I do further certify that on the __ day of ____, 2018, there was filed in my office as County Clerk a BOND ORDER, NOTIFICATION OF SALE AND DIRECTION FOR LEVY OF TAXES, as attached hereto, signed by the President, Village Clerk and Village Treasurer of the Village of Bartlett, Cook, DuPage and Kane Counties, Illinois, and that said Bond Order, Notification of Sale and Direction for Levy of Taxes has been placed on file in and appears in the records of my office.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the County, all this ____ day of ____, 2018.

County Clerk
The County of Cook, Illinois

[SEAL]



Agenda Item Executive Summary

Discussion of Responses to Requests for
Proposals for Broker/Consultant Services for
the Village's Health, Dental and Life

Item Name	Insurance	Committee or Board	Committee
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BUDGET IMPACT

Amount: N/A

Budgeted

List what
fund

EXECUTIVE SUMMARY

The Village of Bartlett is seeking a broker to perform the full range of services related to the design, implementation, maintenance, communication, compliance and improvement of its health, dental and life insurance plans, with focus on plan design changes for cost containment strategies.

The attached information is presented for review and discussion to ensure Village staff will comply with the Board's direction in moving forward with the selection of the broker/consultant.

ATTACHMENTS (PLEASE LIST)

Memo and Broker Analysis Chart

ACTION REQUESTED

- ✓ For Discussion Only
- Resolution
- Ordinance
- Motion:

Staff: Janelle Terrance, Human Resources Director

Date: 06/11/2018

Memorandum

To: Paula Schumacher, Village Administrator
From: Janelle Terrance, Human Resources Director
Date: June 22, 2018
Re: Board Recommendations for Broker/Consultant Services

The Village of Bartlett looks to continue to provide the highest quality health, dental and life insurance programs at the best value available.

The Village Board requested the opportunity to have greater input into the purchase of employee health insurance during the budget process and directed staff to solicit responses to an RFP for insurance broker/consultant services.

The RFP required submissions to include broker services related to the design, implementation, maintenance, communication, compliance and improvement of its health, dental and life insurance plans.

An initial evaluation of the responses included a review of the experience and qualifications of the firm and account executive assigned to the Village's account, the description of how the account will be handled and the types of services provided, access to markets for health, dental and life insurance, and overall clarity and responsiveness of the proposal to this RFP. Staff specifically focused on the experience with municipal clients, cost containment strategies and fees for service.

Five firms/brokers presented to the Village Board their strategies for services. Below is a summary of each of those presentations:

1. HUB International ~
They currently service 50 public entities and are the second largest carrier in Illinois. The presentation focused on cost reduction strategies with an emphasis on offering a smaller HMO network and removing reserves in the PPO Plan and carving out our large claims, which is similar to a self-funded plan.
2. Connor & Gallagher ~
They currently service one municipal client and a number of public entities. They are a privately owned firm with a large team of service representatives. The presentation focused on other services they could

provide to the Village as an “extension” of the Human Resources Department, some to include extra fees, with an emphasis on strategy, compliance, technology and transparency.

3. The Horton Group ~

They currently represent 26 municipal clients and have specialized in public sector groups for 25+ years. The average 2017-18 renewal across the firm’s public sector and municipal practice was 2.2%, with a five-year cumulative of 30.2%. The presentation focused on consumerism with a focus on Wellness initiatives to include biometric screenings (extra fees), with a concentration on risk factors and health education.

4. GCG Financial ~

They currently service 59 municipal clients which includes the City of Naperville and the North Suburban Employee Benefit Cooperative. The presentation focused on engagement, with a strategy of evaluation, exploring options and educating employees. Communication was a key element and a strategy including Biometric screenings along with Wellness initiatives to create unique financial incentives for plan design changes.

5. Arachas Group ~

This is the Village’s current broker and has been the broker for the Village for the past 27 years, 26 of those years were with the ML Sullivan Agency. Last year the ML Sullivan Agency and Bartlett Insurance Group merged together to form Arachas Group. This past year was our first renewal with the newly formed group. The presentation focused on the firm’s strong sense of the community, the strong support of the community and the investment in the Village of Bartlett as the only local firm to submit a response to the RFP. An emphasis was placed on the intimate knowledge of the history of the Village’s plans and claim experience, and using that knowledge to move the Village forward with plan design changes and cost savings measures. There are a few statements that were made that need some clarification:

- The statement made regarding the firm attending committee meetings and assisting staff in preparing for collective bargaining with the unions is not accurate. The Village has a management team that is utilized in preparation for union negotiations. We do not utilize vendors to assist with this process.
- Mr. Miller also stated that “when we try to work within the constraints of those negotiated benefits, we can’t just run extreme deductibles up or dramatically change the contribution rates” in reference to Collective Bargaining Agreements. This statement is not completely accurate, as the Village does have the ability to make plan design changes, but current language does not allow for changes to contribution rates without negotiation.

The consistent message among all presentations was that to realize meaningful savings over time, structural changes need to be made to the Village's health insurance plans and benefits offered. Moving forward, with whoever the chosen broker is, the staff is committed to developing a plan to alleviate costs, which will be a long-term structured, strategic plan.

Staff is looking for direction from the Board to remain with our current broker and allow Arachas Group to continue to work with Village staff on selecting options for plan design changes for cost containment strategies, or to select a new broker to provide services for the Village's Health, Dental and Life Insurance Plans.

Broker Analysis				Financial Planning and Cost Containment	#2 Cost Control Strategies			Consulting Services	Administration #2 Claims/Coverage Questions?	Pricing
Broker	#7 Clients	#8 Client Count	#1 Rising Ben Costs	#2 Cost Control Strategies	Examples of enhanced benefits					
The Horton Group	Village of Downers Grove, City of Elgin, County of LaSalle	12 large	Member education, client advocacy	Committees, Consumer Driven Health Plans, Wellness, Pharmaceutical Strategies, Generational Planning - Defined Contribution Models, Retiree Carve-out	Retiree Carve-out, Consumer Driven Health Plans, Pharmaceutical Strategies	OPEB reporting	Yes		Yes	\$21.50 PEP/Overall estimate of \$40,248
Hub	Arlington Heights, Niles, Wookstock	250 large	Medical/prescription drug spend	Alternate funding, spousal surcharge, tobacco surcharge, dependent audits	Offer 2 separate PPO Plans, offer Blue Advantage HMO instead of HMO Illinois, Offered additional PPO plan		Yes		Yes	\$20.45 PEP/ \$40,000
GCG	Naperville, NSEBCooperative, Glenbard Township HS	11 large	Self-funding, Consumer driven health plans, pharmacy benefits management, Medicare-eligible retiree programs	Self-funding, Consumer driven health plans, pharmacy benefits management, Medicare-eligible retiree programs	Self-funding, Consumer driven health plans, pharmacy benefits management, Medicare-eligible retiree programs		Yes		Yes	prefer fee based, 1.5% estimate
Connor & Gallagher	Lyons District 103, Village of Burnham, South Shore Hospital	Average account has 125	SmartChoice MRI, Referenced Based Pricing, Education, Advisor Program, International Medical Tourism, Direct Path	Clinics, Price Transparency, Incentive based disease management, Domestic tourism, health savings account, telemedicine, health advocacy, biometric screens, health risk assessments, defined contribution	Unique team approach, in-house claims and COBRA management, HR training and staff support		Yes		Yes	Annual fee of \$50,000
Arachas Group	Village of Bartlett, County, County	67 large	Putting Risk Management programs in place, plan adjustments, contribution strategy adjustments	Captives, telemedicine, advocacy services	Transparent Pharmacy Benefit Management Program, Telemedicine, CDHP/HAS		Yes		Yes	Commissions paid by providers